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Spain After Civil War

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AS military and naval activities spread to the Mediterranean, Spain becomes increasingly important in the strategy of Europe's war. The extension of war into Scandinavia and the Low Countries raises the question whether Spain, too, may not be dragged into the conflict in spite of its determined will for peace. Spain's problems, however, unlike those of other European states, are primarily domestic rather than international. During the past fourteen months, the Spanish government has made strenuous efforts to achieve political unity after three years of bitter civil war; it has taken faltering steps to erase the social evils which contributed heavily to Spanish unrest; it has tried to rebuild a war-torn country; it has sought to re-establish Spain as an influential member in the international community. While none of these objectives has been fully or even substantially achieved, in each case the progress is worthy of note. Just as the Spanish civil war was a testing ground for weapons, troops and tactics now employed on a larger scale in Europe, post-war reconstruction in Spain is not without its lessons for the broader peace to come.

IN SEARCH OF POLITICAL UNITY

After the final capitulation of Republican Spain on April 1, 1939, Nationalist leaders undertook to consolidate their military victory on the political front. This task has been made particularly formidable by the geographical relationship which existed between the opposing forces when fighting ceased. By the end of March no avenue of escape was left for the remaining Republicans,¹ and the Nationalists took over these dissenters with the final strips of conquered territory. Fearful of an envenomed sniping campaign and possibly even an organized uprising, Generalissimo Franco lost no time in suppressing the opposition. A few hours

1. Throughout the civil war, as additional territory fell under Nationalist control, anti-Franco elements among the people had withdrawn into the diminishing Republican areas. When Catalonia fell in February 1939, many refugees rushed across the French border, but they were practically the last to escape. For a brief review of the war and its conclusion, cf. W. E. Lingelbach, "The Spanish Civil War Ends," *Events*, May 1939, pp. 346-50.

after the occupation of Madrid, Franco's brother-in-law and Minister of Interior, Ramón Serrano Suñer, set the Nationalist government's course in his victory speech: "Now our real job begins. The military war is over; the political battle starts."²

SUPPRESSION OF OPPOSITION

The first Nationalist political activity in the newly won areas was to acquire control over the means of communication. Intense government propaganda and rigid censorship followed immediately, in accordance with the pattern already established during the war.³ The Franco government then proceeded with "the political battle." Enemies of the new régime were prosecuted in accordance with General Franco's decree of February 9, 1939, in which he defined and listed the penalties for political responsibility during the period since October 1, 1934.⁴ This "Law of Political Responsibilities" was designed "to liquidate the political crimes of those who, through their acts or through their serious failure to act, have contributed to . . . the present plight of Spain." Although the decree was worded in constructive rather than vindictive terms,⁶ it prescribed harsh treatment for all who

2. Cf. *Bulletin périodique de la Presse espagnole*, No. 215 (April 8, 1939), p. 16; *A B C* (Seville), May 30, 1939.

3. Letters had to be posted unsealed, and newspaper editors were ordered to obtain official sanction before publishing anything—even official announcements. All bookstores were closed until April 8, 1939 so that military officials could check stocks and destroy prohibited works. On June 5 a five-member commission was formed to continue indefinitely censorship of telegraph and telephone communications, the mails and the press. The government, however, showed growing confidence in its political mastery. After January 1, 1940 it eased formal censorship of domestic news and correspondence—although press dispatches and letters to foreign countries must still pass the government commission.

4. By selecting this date, the Nationalists established the liability of their adversaries for activity during the insurrection of October 1934, when 1,335 Spaniards were killed and 2,951 wounded. For the October uprising, cf. F. E. Manuel, *The Politics of Modern Spain* (New York, McGraw Hill, 1938), pp. 134-44.

5. *Boletín Oficial del Estado*, February 13, 1939.

6. Its stated purpose was to "enable all Spaniards—those who have saved the country and civilization, and those who will have erased their crimes through the payment of just penalties—to live together in a great Spain."

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could be shown to have opposed the Nationalist régime. It outlawed 26 specified organizations and all affiliated groups—including former supporters of the Popular Front, the autonomist organizations, and all Masonic lodges. Members and financial supporters of these organizations, and those who had voluntarily submitted to Republican rule during the civil war, were declared liable to juridical sanctions.⁷ Under the February 9 law, cases have been tried by regional courts of the "National Tribunal of Political Responsibilities," composed of members of the Army, the *Falange Española Tradicionalista y de las J.O.N.S.* (the state political party), and the legal profession. Since one article of the law upheld past and future convictions by military courts, the Army's influence remained supreme in peace as in war.

The number of incriminations, imprisonments and executions in Franco's Spain has been a subject of much dispute, but it is clear that extensive arrests and convictions followed the establishment of "civil peace." Before the war ended, the Generalissimo stated that he had "more than 2,000,000 persons card-indexed, with proofs of their crimes and names of witnesses."⁸ Within three days after the fall of Madrid, it was announced that some 150,000 persons had been arrested in the provinces of Madrid, Cuenca, Valencia, Alicante, Albacete, Ciudad Real and Toledo, swelling the Nationalists' total number of prisoners to 650,000.⁹ Although the government's present policy of review trials tends to equalize sentences by decreasing the more severe ones,¹⁰ present reports indicate that there are still about 500,000 political prisoners in Spain.¹¹ The detention of such a large number of people naturally prolongs un-

easiness among the civilian population. It also reveals that the government is not yet confident of general support among the Spanish people.

Serious political disturbances have occurred in several provinces since the civil war ended. One of the most alarming was an armed revolt of approximately 2,000 Asturian miners in June 1939. It required almost two weeks for the Nationalist Civil Guard and armed forces to restore order, and meanwhile news of the disturbances apparently encouraged sporadic outbreaks in other parts of the province.¹² Following the murder of Major Isaac Gabaldón on August 3, 1939, Madrid announced that 61 persons guilty of implication in the plot had been executed, and the Spanish press hinted at the existence of a widespread organization to resist the government.¹³ On February 28, 1940 Madrid police announced the arrest and court-martial of 39 persons said to be members of such an organization.¹⁴

Although the bitterness engendered by the civil war has not disappeared in Spain, there is very little likelihood of serious revolt. The government is well established, and hostile elements among the people realize the futility of open opposition. Between the two extremes, moreover, a great proportion of the population remains apathetic toward both the Nationalist régime and a possible counter-revolution. To date there have been relatively few signs that the present government will win the active support of this large middle group, and the progress of reconstruction in Spain is on this account impaired.

ELEMENTS IN GOVERNMENT

One of the gravest problems of the Nationalist government is division of sentiment within its own ranks. The Nationalist movement has tried to reconcile the strong lower-class appeal of the Falangists with the traditionalism of the landowners and monarchists, and the totalitarian concept of a fascist military state with the spiritual dominance claimed by the Roman Catholic Church. Franco's

7. Fear of conviction under this law has prevented many political refugees from returning to Spain. Of the 500,000 who fled to France in January and February 1939, about 340,000 have returned. While some 15,000 have now settled in American countries, about 140,000 are still in France. For a brief review of the Spanish refugee situation, cf. bulletin of the Spanish Refugee Relief Campaign (New York), April 6, 1940; *Excelsior* (Mexico City), February 21, 1940.

8. Cf. J. I. Miller, in the *New York World-Telegram*, November 7, 1938.

9. Cf. Burgos dispatch, in *The New York Times*, March 31, 1939.

10. A government order of January 25, 1940 provides for the establishment in each province of a special "Commission for the Examination of Penalties." This commission is empowered to propose commutation or reduction of penalties already prescribed by military tribunals. Cf. *Boletín Oficial del Estado*, January 26, 1940.

11. This estimate, which seems to be most nearly correct, was first made by the Vatican in January 1940. (Cf. *The New York Times*, January 26, 1940.) About the same time A. V. Phillips, a British correspondent who had just been released from jail in Madrid, reported that "between 1,000,000 and 2,000,000" were still in Spanish prisons, and that political executions were still very numerous. (*London News Chronicle*, January 19, 1940.)

12. Cf. *The New York Times*, July 11, 1939. According to J. Alvarez del Vayo, armed bands still live in the hills of Asturias and Galicia ("One Year of Franco," *The Nation*, March 30, 1940, p. 420), and other informed quarters report that 30,000 Moorish troops are maintained there by the government to discourage rebellion.

13. Cf. *Bulletin of International News*, August 12, 1939, p. 45; *The New York Times*, August 7, 1939.

14. Cf. *The New York Times*, February 29, 1940. In many ways more formidable than domestic opposition to the Nationalist government, former Republican leaders continue their hostile activities abroad. Although they are divided into two groups—"The Spanish Republic in Exile" around Dr. Juan Negrín, and the opposition around Indalecio Prieto—all of them are agreed in their determination to undermine the present Spanish government, and hence constitute a functioning Republican threat to the Nationalist régime.

chief supporters have been the *Falange Española* (Spanish Phalanx), the wealthy landed nobility, the Carlist and Alfonsist monarchists, the Army and the clergy.¹⁵ All except the Falange joined the Nationalist movement hoping that it would lead to restoration of "the old order in Spain"—a Catholic monarchy supported by the Army and vested interests. The Falange's fascist connections and its ideology, however, were indispensable to the other groups, who needed both foreign assistance and a program that would draw the masses. The Falange, in turn, became progressively more influential with each act of German and Italian intervention,¹⁶ and on April 19, 1937 Franco proclaimed its program (minus the 27th point) as the official platform of Nationalist Spain.¹⁷

In the Falangist-traditionalist amalgamation, the politicians among all component interests buried their differences during the war, but with the cessation of hostilities the antagonistic forces began to contest with one another for predominant influence in the new Spanish state.¹⁸ The Army and the Carlist *Requetés*¹⁹—Franco's stoutest wartime supporters who had fought in the front lines while party jobs kept many Falangists out of the battle zones—resented post-war organizational activity which gave the best jobs to the Falange's trained bureaucracy.²⁰ In deference to these traditionalist interests, a decree on November 7, 1939 dismissed all non-combatants from party jobs. Although the Nationalist press repeatedly asserts that harmony prevails in the New Spain—terming it a nation without conflicting parties and factional strife—

15. For a more detailed discussion of these groups and their antagonisms, cf. C. A. Thomson, "The War in Spain," *Foreign Policy Reports*, May 1, 1938, pp. 46-48. For the original elements which merged to form the Falange, cf. H. R. Southworth, "The Spanish Phalanx and Latin America," *Foreign Affairs*, October 1939.

16. Its new prestige provided the necessary popular appeal. The Falange, which counted less than 100,000 members at the outbreak of the war, became in 1937 the sole political party of Nationalist Spain, with about 3,000,000 members. Cf. "Spain in the War," *The Economist*, January 20, 1940, p. 40; *La Prensa* (New York), April 19, 1940.

17. For text, cf. *Argumento de la Nueva España: Los 26 Puntos de Falange Española Tradicionalista y de las J.O.N.S.* (New York, Peninsular News Service, 1938). In the 27th point of their original program, the Falangists vowed to continue their struggle until they alone should rule the state.

18. Cf. Robert Davis, in the *New York Herald Tribune*, August 9, 1939.

19. The *Requetés* are the militia of the Carlists, or supporters of the line of Don Carlos of Bourbon-Hapsburg who was aspirant to the Spanish throne during the Civil War of 1873-1875. Prince Xavier of Bourbon-Parma is the present Carlist pretender.

20. This trend continues. All of the 11 new civil governors appointed on April 10, 1940 are Falangists, and 7 of them are also party leaders in their respective provinces. Cf. *La Prensa*, April 11, 1940.

General Franco on December 31, 1939 admitted the activity of adversaries who still prefer a military dictatorship and the monarchy.²¹ Yet despite persistent reports of internal discord, Spain has a symbol of unity in Franco's dominant position as *Caudillo*, or leader.

The Army. The most notable incident reflecting dissatisfaction among Army men occurred on July 21, 1939, when Franco dismissed General Gonzalo Queipo de Llano from his posts as Military Governor of Andalusia and Inspector-General of the *Carbineros* (customs guard). Queipo de Llano had incurred official displeasure because of a speech at Seville on July 18, when he cast reflections on the government and reviewed his own achievements as a military and political leader.²² Queipo's specific disavowal of personal ambition may have led the *Caudillo* to suspect that it existed. His dismissal caused considerable unrest in Andalusia, where the people were also indignant when it was reported a week later that he was to be relegated to political exile as Spanish Ambassador to Argentina.²³ The case was settled on August 1, however, when Franco appointed the popular general as head of a permanent military mission to Italy, a move which the Italian press hailed as reflecting a desire to "maintain the union sealed on the battlefield."²⁴

Reconciliation of Army leaders and Falangists was presumably achieved through the decree of July 31, 1939, when the armed forces were incorporated as "affiliated members" of the Falange, and a separate Defense Junta was established;²⁵ and through the governmental reorganization of August 9-10, when four generals, an admiral, and two colonels were taken into the new Cabinet.²⁶ Among these military representatives in the government was General Juan Yagüe, who—like Queipo de Llano—had been relieved of his command on July 21. Another was General Agustín Muñoz Grande, whose appointment as Secretary-General of the Falange was held to indicate complete rapprochement between the Party and the Army. In spite of

21. "Many on the inside and outside," he warned, "are interested in having our Revolution fail. . . . Can't you see how insidiously and malevolently they try to spread doubts and promote lack of confidence, here and abroad, against our Movement—by launching a sort of anachronous military dictatorship, or restoring old powers, to create an atmosphere favorable to the double-headed system which sterilized the work and facilitated the downfall of General Primo de Rivera?" (*Hoja Oficial del Lunes*, January 1, 1940.)

22. For text, cf. *A B C* (Seville), July 19, 1939.

23. Cf. *The New York Times*, July 22, 27, 1939.

24. Cf. *ibid.*, August 18, 1939.

25. Cf. "Spain in the War," cited, p. 40. The July 31 decree was not published until August 4, 1939.

26. For a complete roster of the new government, cf. *Spain*, September 1, 1939, p. 9.

surface appearances, however, the Falange had become entrenched as the prime political force in Spain, and its leaders second in power only to the *Caudillo* himself, who on August 4 assumed "absolute authority . . . responsible only to God and history." For practical purposes the Political Junta, designated as the permanent governing body of the Falange, became the government Cabinet. The present uncertain relationship between the Army and the Falange was reflected on March 15, 1940 in the dismissal without explanation of General Muñoz Grande from his Secretary-Generalship of the Party, and with it from the Cabinet post which he held by virtue of his Party office.²⁷ That the Army is not yet defeated politically, however, may be concluded from the leading rôle it played and the popular enthusiasm it aroused on April 1, during the celebrations to commemorate the Nationalist victory.²⁸

Monarchists. The position of monarchists and clergy in the New Spain is similar in at least one respect: both enjoy a share of their former prestige, but not the extensive powers they apparently anticipated in return for their support of Franco during the civil war. In the early months of the war Franco used to speak of restoring the monarchy, but he has not mentioned such plans in any of his public declarations during the last three years.²⁹ Yet, until his broadcast last New Year's Eve, he at least refrained from ruling out the possibility, and has shown his respect for the Carlists by wearing their symbolic red beret on state occasions. On December 15, 1938 General Franco promulgated—and the Council of Ministers approved—a law restoring to ex-King Alfonso XIII all his rights of Spanish citizenship, and directing that the royal family's private properties be returned.³⁰ Disagreement among the monarchists themselves, however, has undermined whatever monarchical inclinations the government may have had. In addition to Alfonso and his son Prince Juan, each of whom has his own group of followers, Prince Xavier of Bourbon-Parma is a strong candidate for the Spanish throne. It is unlikely that the monarchy in Spain can be restored until one of these three is generally accepted as the logical pretender.

27. Two days later, apparently as a conciliatory gesture, General Franco placed the Spanish Civil Guard and the famous *Carbineros* under direct control of the Army. Cf. *La Prensa*, March 18, 1940.

28. *Ibid.*, April 2, 1940.

29. Cf. *The New York Times*, April 24, 1939.

30. *Boletín Oficial del Estado*, December 21, 1938. This law became effective on April 23, 1939. The Constituent Cortes of the Republic had deprived Alfonso and his family of these rights by the law of November 26, 1931. At that time the royal family's wealth was valued at \$8,600,000; Alfonso's present possessions are said to be worth about \$2,000,000.

Spanish royalists met several times in Switzerland during the summer of 1939 to choose a mutually acceptable candidate, but apparently reached no agreement.

The Church. Following General Franco's victory in the Spanish civil war, acclaimed by Nationalist spokesmen as a holy war against atheistic communism, the Catholic Church regained many privileges which it had lost when the Spanish monarchy fell. The *Caudillo* has re-established Catholicism as the official state religion, has renewed government subsidies for the clergy, has returned all of the property which the Republic took from the Jesuits, and has ordered the reconstruction of cathedrals and religious monuments.³¹ Since October 5, 1939 civil marriage and divorce have been prohibited in Spain. Religious instruction is again required in every public school, college and university; and each section of the Falangé must have its religious adviser.³² In temporal matters, however, the Falange still exercises its authority over the Church.³³ A revealing example of the Party's power—extending even to spiritual affairs—was the suppression last fall of a pastoral letter from His Eminence Isidro Cardinal Gomá y Tomás, Archbishop of Toledo and Primate of Spain. The letter—entitled "Lessons of the War and Duties of the Peace," and published in the *Boletín Eclesiástico* of the Archdiocese of Toledo on August 8, 1939—professed that the moral and religious reaction which had been anticipated "from the nature of the movement" had not taken place in Nationalist Spain.³⁴ The Spanish press was not allowed to publish any part of the pastoral, nor were the clergy permitted to read it from their pulpits. When on October 15 the *Boletín Eclesiástico de Toledo* protested against this suppression, government agents immediately seized the edition.³⁵

31. Under the Spanish monarchy, the clergy's salaries cost the government 62,900,000 pesetas (about \$6,200,000) annually. This obligation, fixed by concordat in 1851 as the state's contribution to the Church, was accepted on November 15, 1939 by the Nationalist government—apparently with the hope of gaining in return concessions which the same concordat granted the state. Jesuit property included numerous business enterprises in addition to schools and church buildings.

32. Cf. *La Prensa*, March 28, 29, 1940. Catholicism is the only religion favored in the New Spain. Both Protestants and Jews have reported widespread intolerance under the Nationalist régime. Cf. H. M. Gooch's letter in *The Times* (London), January 23, 1940; the *New York Post*, April 2, 1940.

33. Cf. *The New York Times*, November 13, 1939; *La Prensa*, April 1, 1940.

34. For text, cf. *La Prensa*, January 11-18, 1940.

35. Similarly, the government banned the November 1 issue of the Diocese of Pamplona's *Boletín Oficial*, which republished the pastoral. For a full account of the primate's letter and its suppression, cf. Jay Allen, in *The New World* (Chicago), January 19, 1940. On December 9, 1939 *The Tablet* (London) printed an English translation of the October 15 protest.

A more serious disagreement between Franco's state and the Papacy—over the appointment of Spanish bishops—is still unsettled. The *Caudillo* seeks re-enactment of the 1851 Concordat concluded between the Vatican and Queen Isabella II, while the Holy See is negotiating for a new agreement in conformity with present norms of canon law. Under the 1851 accord, all religious controversies in Spain were to be settled by a Spanish Court of the Rota rather than by the Vatican tribunal in Rome, and the Spanish monarch was entitled to appoint bishops in Spain.³⁶ In 1918, however, the Vatican promulgated a new code of canon law, denying states the right to hold their own ecclesiastical tribunals and to name bishops.³⁷ Although this new code was never applied in Spain, Pope Pius XII considers the old concordat abrogated with the Spanish monarchy's fall.³⁸ That the Pope is not likely to condone the reversion of Spanish bishoprics to a status of secular prefectures was indicated in his encyclical *Summi Pontificatus* of October 20, 1939, when he condemned as a "pernicious error" the state's usurpation of spiritual prerogatives.³⁹ To Madrid's contention that the Nationalists fought for the Church in Spain, the Vatican replies that the Church—especially through pastoral letters of Spanish bishops—contributed much toward Franco's victory.⁴⁰ In the light of this deadlock, the concessions already made to the Church must be regarded as but temporary arrangements, to be sealed only when a regular concordat is concluded to embrace the whole of Spanish-Vatican relations.

CATALANS AND BASQUES

Meanwhile, 17 sees remain vacant in Spain. Two of these are associated with the perennial Spanish problem of Catalan and Basque autonomist movements. Francesc Cardinal Vidal i Barraquer, Archbishop of Tarragona and head of the Church in Catalonia, and Mgr. Mateo Múgica y Urrestorazu, Bishop of Vitoria, in the Basque Country, are on

Franco's black list because they refused to sign Cardinal Gomá's famous collective letter in support of the Nationalist movement.⁴¹ If the *Caudillo* can obtain Papal recognition of his right to name bishops in Spain, he plans to undermine autonomist opposition by filling all sees with loyal supporters of his centralized régime.⁴² The government has already banned all use of the Catalan and Basque languages in its effort to create a unitary state. Its program of reconstruction, moreover, is apparently designed in part to discourage autonomist tendencies by making Catalonia and the Basque Country more dependent economically upon the rest of Spain. The Basque metallurgical industries are encouraged to produce, since their output is required for reconstruction in other parts of Spain, and it is impossible to move these heavy industries from their supplies of raw materials. But Nationalist policy aims to transfer many lighter industries into central Spain, heretofore predominantly agricultural.⁴³ It remains to be seen, however, whether autonomist movements in Spain—which have survived Castilian oppression for centuries—can now be suppressed by a strong central government at Madrid.

SOCIAL PROBLEMS

To win mass support throughout the country, the Nationalist régime has enacted a number of social measures designed for popular appeal. In the fields of low-rent housing and public health, especially, visible progress has been made. At the same time,

41. Cf. J. V. C., *Montserrat: Glosas a la Carta Colectiva de los Obispos Españoles* (Barcelona, Instituto Católico de Estudios Religiosos, 1938), pp. 9-10. Cardinal Vidal is now living at Lucca, Italy, and Mgr. Múgica is in Ustaritz, Frante. Both refuse to return to their respective sees, and the Vatican is unwilling to appoint others to fill the vacancies. While Franco hopes to oust them, the Pontiff finds no reason to convert General Franco's political interdict against them into a religious one. Cf. *The New York Times*, November 13, 28, 1939.

42. The Catalans and Basques, who saw hopes for self-government only under the Republic, were among Franco's most vigorous enemies in the civil war. Early this year the Vatican reported that 50,000 persons are still detained as political prisoners in the Basque Country, and that 50 of the 60 priests held in Carmona Prison in Andalusia are Basques. Cf. *The New York Times*, December 15, 1939; January 26, 1940.

43. An example of this practice occurred last fall in the Catalan textile industry. The French government offered to supply Catalan factories with wool, from which blankets for the French army could have been made and shipped to France within five weeks. The Spanish government—which now controls Spain's textile industry—agreed to accept the wool, but only on condition that the blankets need not be made in Catalonia. Since the Spanish plan would have involved a delay of about four months, the deal was not concluded. Cf. W. A. Schaffner, "Commercial Conditions in Spain," *Export Trade and Shipper*, February 26, 1940, p. 11; "The Future of Spain," *The Economist*, February 10, 1940, p. 248; *Gaseta Catalana*, October 15, November 1, 1939. For a detailed account of Catalan industry, cf. *El Poble Català* (Paris), December 29, 1939; January 12, 1940.

36. Three candidates were to be named for each vacant bishopric. The Vatican was then obliged to accept one of these. Cf. *Gaseta Catalana* (London), November 1, 1939; *The Times*, February 3, 1940.

37. Henceforth the state could accept or refuse bishops, but they had to be appointed directly by the Vatican. The Holy See secured recognition of its new code through fifteen concordats with post-war governments.

38. Cf. Jean-François Domini, "Le Vatican et l'Espagne," *L'Europe Nouvelle*, February 10, 1940, pp. 157-58.

39. For text, cf. *The New York Times*, October 28, 1939. The Spanish press, which published only very brief selections from this encyclical in October, finally reprinted the entire text after a delay of three weeks. Cf. *Euzko Deya: Suplemento de Informacion* (Paris), November 1, 26, 1939.

40. Cf. *The New York Times*, November 13, 1939; March 9, 1940.

the New Spain has not yet surmounted innumerable problems resulting from its long and destructive civil war. One of the most acute of these—in spite of extensive charity services of *Auxilio Social*,⁴⁴ the Falangist welfare organization—is the food supply.

FOOD SHORTAGE

By the end of the war, almost all agricultural and pastoral resources in Republic territory had been exhausted. To feed the people in these areas, reserve food supplies had to be drained from western Spain, which during the war was able to feed itself comfortably. Moreover, the first post-war harvests—reduced by wartime shortages of farm labor, fertilizers, equipment, and zones of cultivation⁴⁵—were themselves insufficient to meet the country's current needs. In addition, during the war at least a third of the country's livestock had been destroyed, chiefly in the blockaded Republican zone where all animals were slaughtered for food. As a result, the government was obliged to continue wartime control over the distribution of foodstuffs, and at the end of 1939 ration cards were still issued for such leading food items as beans, peas, rice, potatoes, sugar, olive oil, flour, milk, butter, eggs and most meats.⁴⁶ At present the food situation is improving, as the government repairs transportation facilities destroyed by the war and agriculture recovers from its initial shock, but hunger in Spain is still acute.⁴⁷ In spite of government price-fixing and heavy penalties for profiteering, food products now cost the consumer from 50 to 200 per cent more than in 1936.⁴⁸

LAND REFORMS

The distress of Spanish agriculture has been a source of considerable anxiety to the Falange.⁴⁹ Seventy per cent of Spain's population lives in rural areas, but less than half the total area of the country

is under cultivation. Much of it suffers from lack of water, although there are large tracts of marshes in the South which need to be drained. In its first definite step toward putting more land under cultivation, the Spanish government on January 25, 1940 created elaborate machinery for an unlimited number of irrigation and drainage projects. The measure which provided for these improvements—the Colonization Law—was allegedly designed to promote family holdings. According to its terms, any regions in which private enterprise is unable to assure the required improvements are subject to colonization. The present landowners are invited to form societies which would take over whatever land is needed for the projects.⁵⁰ But whether the societies are formed under private or government sponsorship, the government intends to permit no one to hold up the projects.⁵¹ Although the Colonization Law was regarded as a concession to peasant sentiment, General Franco decreed on March 6 that the *grandees* (large landowners) be given back all land seized under the Spanish Republic's Agrarian Reform Law of September 15, 1932.⁵² This new decree, however, is to be enforced through the Institute of Colonization, and expressly will not be applied to tracts of land needed for irrigation and drainage projects. The Nationalist government's land program, opportunist though it is, seems to be actuated by the pressing need to increase farm yields, rather than by political considerations.⁵³

50. The law specifies that: "expropriations will be effected by the state [for the society] after the price has been fixed by appraisers and representatives of the owners and the state. All improvements work will be subsidized by the state." Cf. *News Bulletin* (New York, Peninsular News Service), January 26, 1940.

51. *The New York Times*, January 27, 1940.

52. Cf. *La Prensa*, March 7, 1940. Relatively few of the great estates were actually taken by the Republic, owing to opposition by the Centre and Rightist governments in power from 1933 to 1936. The Agrarian Reform Law was not enforced until 1936, when a large number of peasants acted on their own authority and seized estates in Cadiz, Badajoz and Caceres. Forced into action, the Popular Front government immediately parcelled out 907,692 acres to an insistent peasantry. In Republican Spain, the Agrarian Reform Institute continued to break up the large estates during the civil war. Cf. *Agrarian Reform in Spain* (London, United Editorial, 1937).

53. The Falange doubtless prefers a middle course between vast estates and extreme parcellation. It is recalled that the yield of the land dropped sharply on large estates which peasants took over in 1936, partly as a result of insufficient working capital. At the same time, because of mass peasant migration into urban districts during the civil war, many sections of Spain which were previously cultivated are now lying fallow. To make this land productive again, and to alleviate urban housing problems, the government hopes it can persuade peasants, through enlightened agrarian legislation, to return to rural areas.

44. Cf. *España día á día* (Mexico City), January 1940, pp. 156-58.

45. Serrano Súñer, speaking on October 31 before the Political Junta of F.E.T. de las J.O.N.S., stated that, because of destruction during the war, arable land for cereals and vegetables had been reduced by over 12 per cent, with a corresponding decrease in agricultural production. For text, cf. *La Prensa*, November 18, 1939.

46. Cf. *Commerce Reports*, March 23, 1940, p. 272; *Diario de la Marina* (Havana), February 14, 1940.

47. Serrano Súñer spoke of the food problem at a Falangist rally in Valencia on April 23. Cf. *The New York Times*, April 25, May 1, 1940.

48. Jaime Alzina, "La Peseta," *La Nueva España* (MS, December 1939); *Commerce Reports*, March 23, 1940, p. 272.

49. For the Falangist program on land reform, cf. *Argumento de la Nueva España*, cited, pp. 13-14.

LABOR POLICY

The Spanish government's labor policy, as well as its agrarian reform, has been dictated more by practical demands of the moment than by its long-term social objectives. The Falange hailed its labor charter of March 9, 1938 as the basis of social legislation in the New Spain, and when the civil war ended, the Nationalist government promptly announced that the charter was henceforth to be applied throughout the country. This document proclaims the right of all Spaniards to work under conditions assuring minimum wages, limited hours, annual vacations, recreation facilities and social security provisions. It also declares that work is a social duty; and imposes restrictions on labor and management alike, with each industry organized under supervision of the syndicalist state, similar in form to the economic organization of Italy and Portugal.⁵⁴ Legislation has already been decreed to cover most of the important measures foreseen,⁵⁵ but tangible social betterment among the working classes has not been apparent. The government Labor Office has fixed a minimum daily wage of eight pesetas, and a "family wage" to provide proportionately greater incomes for wage earners with large families. It has also instituted an 8-hour day, and has made preliminary arrangements for government-financed summer vacations and inexpensive travel. Yet, owing to unprecedented high costs of food and other essentials, the standard of living has been lowered for all wage earners.

Labor unions have been abolished,⁵⁶ and all workers—including executives—have been incorporated in vertical syndicates, within which all methods of labor bargaining, such as strikes and lockouts, are prohibited. Although unemployment is decreasing as reconstruction works progress, several policies still tend to aggravate this problem. In apportioning jobs throughout Spain, preference is given to ex-combatants of the Nationalist Army, which has now been reduced from over a million men to a peace-time basis of about 300,000.⁵⁷ Much of the unskilled manual labor, moreover, is performed by hundreds of thousands of political prisoners in accordance with the Nationalist credo of

"redemption through work," while former Republican sympathizers who do not happen to be in prison have last call for any available jobs.⁵⁸ On May 16, 1939 the government sought to speed reconstruction through a decree obliging all men between the ages of 18 and 50 to work without pay for the state 15 days each year, or, if otherwise employed, to contribute the equivalent in wages.⁵⁹ Although this measure enjoyed neither popular support nor success,⁶⁰ it served as a constant reminder that every one in Spain must participate in the country's greatest post-war task: national reconstruction.

MATERIAL RECONSTRUCTION

The civil war left Spain with a large share of its material wealth destroyed,⁶¹ and its transportation system so severely crippled that reconstruction has been inevitably slow. Even before 1936, means of transportation and communication in Spain were inadequate for the country's normal needs.⁶² During the war 40 per cent of the country's railway rolling stock was destroyed, while much more was rendered useless through partial damage, over-use, neglect and normal depreciation; losses of motor vehicles were even greater. By March 1939 many bridges were in ruins, roadbeds dangerous, and railway and motor repair shops badly deficient in necessary equipment. The Spanish merchant marine suffered a net loss of 56 vessels totaling 76,157 tons, and heavy damage to other ships totaling approximately 100,000 tons; even the remainder of the merchant fleet (almost 800,000 tons) was in bad

57. Most of the demobilized 700,000 have been absorbed into industry and reconstruction projects. Between March and September 1939 the Falange employment office assigned work to 643,795 persons. The government labor policy superannuates workers at 60 and permits youths under 20 years of age to work only as apprentices without pay. Cf. *La Prensa*, February 5, 1940.

58. Cf. Madrid dispatches in *Christian Science Monitor*, April 1, 1940; *La Prensa*, March 28, 1940.

59. For text of the law, cf. *Cara al Sol* (New York), September 16, 23, 30, 1939.

60. It was revoked on April 5, 1940.

61. One account relates that "the bombardments . . . struck not only cities, monuments, and houses; but also factories; highways; railroads; electric, telephone, and telegraph lines; railway rolling stock; forests; livestock; . . . and simply the land, which in certain regions is still unfit for cultivation and will remain so for some time to come." Cf. Jean Thévenot, "La Reconstruction de L'Espagne," *Politique étrangère*, December 1939, p. 601.

62. Spain, which comprises 493,195 square kilometers, was traversed by only 16,800 kms. of railroad, 73,000 kms. of main highways, and 24,000 kms. of secondary or connecting roads. The country had but 3,000 locomotives and 330,000 motor vehicles (including both automobiles and motorcycles). For its maritime periphery of 3,144 kms., Spain's merchant fleet was even more disproportionate. (Alzina, "La Perdida en los Transportes," *La Nueva España*, cited.)

54. For text, cf. "Fuero del Trabajo" (New York, Peninsular News Service, 1938).

55. Since the beginning of the civil war, over 3,500 decrees, laws and administrative orders have been issued as a basis for government under the new régime in Spain. Cf. *La Prensa*, March 20, 1940.

56. Before the civil war, Spanish labor unions had about 3,000,000 members. Cf. Frank Jellinek, *The Civil War in Spain* (London, Gollancz, 1938), p. 207.

condition as a result of poor care.⁶³ With physical communications impaired throughout the country and completely broken down in areas of the severest fighting, the government has found it difficult to distribute food, move workers, and transport building materials.

GOVERNMENT MEASURES

In one of its first acts to spur the material reconstruction of post-war Spain, the Nationalist government on March 22, 1939 created an Institute of Credit, as a lending agency with unlimited capital.⁶⁴ Municipal governments cooperated with this body to encourage reparation in their respective cities. Building permits in Madrid, for example, were exempted from the payment of taxes, and many requests for permits were entered.⁶⁵ A 2,000,000,000-peseta internal loan, floated in October 1939, was heavily oversubscribed in less than five hours; and in December the government released blocked accounts in Spanish banks, freeing another 3,500,000,000 pesetas for investment in building projects.⁶⁶ These measures made possible the provision for a new 10-year reconstruction plan—announced on January 11, 1940—with a budget allocation of 4,200,000,000 pesetas (about \$380,000,000), of which road and railway repairs are to absorb 1,650,000,000 pesetas (\$150,000,000), new dams and irrigation works another 1,650,000,000, and harbor projects the remainder.⁶⁷

Aside from much extensive planning of this sort, actual reconstruction in Spain has barely started.

63. The value of transportation units destroyed during the war gives some indication of the handicaps which had to be overcome:

VALUATION OF TRAFFIC UNITS IN SPAIN (in millions of pesetas)

	Pre-War	Post-War
Railroads	6,100	3,965
Motor vehicles	720	288
Merchant marine	300	210
All traffic units	7,120	4,463

Cf. Alzina, "La Perdida en los Transportes," cited; *Excelsior*, November 11, 1939. River and air transport in Spain were negligible even before the war. The only important navigable river is the Guadalquivir from its mouth up to Seville. Civil aviation was largely controlled by foreign companies, and the regular service so modest that it took care of only Madrid, Barcelona, Valencia, Alicante, Majorca, Seville, Huelva and the Canaries.

64. Cf. *Bulletin périodique de la Presse espagnole*, No. 215 (April 8, 1939), p. 2.

65. These included requests for enlargement of plants, reconstruction of houses, and internal repairs for houses and other buildings. For statistics, cf. *Spain*, November 1, 1939, p. 14.

66. Cf. "Spanien: Freigabe der Bank- und Sparguthaben," *Wirtschaftsdienst*, February 23, 1940, p. 146; *The Economist*, January 20, 1940, p. 91.

67. Cf. W. H. Carter, "Spain in Search of Freedom," *Christian Science Monitor Weekly Magazine*, March 23, 1940, p. 9.

The full 10-year period will probably be required to clean up débris left by the war. The cities which were bombarded in the eastern half of Spain are still marred by ruins. Several of the ships sunk in Barcelona's harbor have been salvaged and refitted, but by far the greater portion of wreckage in the port remains, and harbor facilities must still be rebuilt. While arterial highways have now been restored to fairly good condition, very little has been done to repair Spain's second and third class roads, many of which are still practically impassable. Railway bridges and roadbeds were first to be rebuilt, although the urgent need for immediate use prevented a permanent solution of these problems. Railway services had been resumed to all parts of the country within two months after the war ended, but even now the restored service is neither frequent nor regular, and trains must creep over some of the newly built bridges and bad stretches of track.⁶⁸

OBSTACLES TO RECONSTRUCTION

The chief reason for delay in rebuilding Spain is that the country was on the verge of economic prostration at the end of its civil war, and has experienced many difficulties in its effort to attain financial stability. During the war, there had been two separate currency systems, each based on fiat money issued to finance internal needs. The Nationalist government's invalidation of Republican currency, and its blocking of accounts carried in that medium, retarded recovery until normal banking facilities could be established and credit channels reopened.⁶⁹ Public confidence was restored within the country as the government promptly paid its current accounts, but such payments were made in paper money which was, and continues to be, maintained by law at artificially high levels. No Spanish currency is permitted to enter or leave the country, since its value on the open market would be considerably less than that established in Spain. The internal market is characterized by a plenitude of

68. Spain's post-war deficiency in rolling stock was partially remedied through the Jordana-Bérard agreement of February 25, 1939, under which France extended recognition to Nationalist Spain and returned 470 passenger and freight cars which Republican forces had taken across the border with them when Catalonia surrendered. Cf. *Foreign Railway News* (Washington, U.S. Department of Commerce), July 7, 1939, p. 212. Other deficiencies are still being made up through repairs. The Madrid-Zaragoza and Alicante Railway—which had 1,129 locomotives at the outbreak of war and only 554 in operation at its end—had repaired 229 damaged engines by the middle of January 1940, and had 147 others in shops awaiting repairs. Similarly, of the Compañía del Norte's 8,472 freight cars out of operation in April 1939, 1,395 had been recommissioned by the end of the year. (*Foreign Railway News*, March 29, 1940, p. 117.)

69. Cf. *Commerce Reports*, March 23, 1940.

the controlled Spanish currency and a scarcity of marketable commodities.⁷⁰

Very few factories can keep pace with orders, owing to shortage of skilled workers, raw materials, and machinery. These same deficiencies also deter general reconstruction. While unskilled labor power is abundant, a large percentage of Spain's trained workmen and technicians were, during the war, either avowed liberals or suspected of having liberal leanings, and hence are now in jail or unable to secure employment because they are being "purified."⁷¹ Many technical services were performed during the war by foreigners who have now left the country.⁷² Shortages of imported materials such as lumber, cement, brick and coal are a serious handicap to reconstruction, while trucks and replacement parts for all sorts of heavy machinery constitute the most urgent needs for equipment. Distribution facilities are still so bad that even domestically produced supplies are often wanting, but this situation is being remedied as the transportation system improves. Deficiencies of imported materials, however, show no signs of abating. The long war left Nationalist Spain with its gold reserves dissipated, its foreign exchange exhausted, and its entire credit structure seriously weakened. Goods could be purchased abroad only on a barter basis, and the Spanish economy was so radically disturbed that commodities normally produced for export have been scarcely adequate for internal requirements. Continued exports of these commodities, for the purpose of providing foreign exchange, have further accentuated domestic shortages.

AUTARCHY AND NEO-MERCANTILISM

Spain's loss of economic and financial resources has led to strict regimentation of both its internal economy and its foreign trade. In an effort to rationalize production, every branch of industry has been incorporated under the supervision of government ministries.⁷³ They plan and control the national economy, either directly or through subordinate regulatory agencies. Interested individuals are represented on these regulatory bodies, but the state alone exercises the power of decision. A law of October 24, 1939, guarantees minimum

70. Cf. *Commerce Reports*, November 4, 1939, p. 998; December 23, 1939, p. 1200.

71. Work cards are necessary for employment, and the government grants these only to persons who can show good political records.

72. For other technical services now lost to Spain through the flight of its political refugees, cf. Jay Allen, "Hostages of Appeasement," *Survey Graphic*, November 1939, pp. 679-80.

73. Cf. footnote 43, p. 62. State syndicalism was instituted in Nationalist Spain in August 1936. It is now completely organized throughout the country.

earnings of 4 per cent on capital employed in the establishment or expansion of industries which the government considers to be of "national interest," either for national defense or for meeting the country's economic needs.⁷⁴ The drive for self-sufficiency characterizes Spain's political economy. Extensive industrial substitution of domestic for foreign materials is planned,⁷⁵ although to date the chief result of this policy has been curtailed productive activity due to the government's unwillingness to grant import permits for even essential raw materials and equipment. Most of the country's needs for rehabilitation could be met by purchasing abroad on credit terms, but the government has generally tried to finance even its most urgent requirements with the proceeds from exports.⁷⁶ Bureaucratic obstacles, moreover, add to these limitations on trade; import and export permits are issued, not according to blanket lists, but only after specific approval of each transaction.⁷⁷ The government favors imports from countries with which it has favorable balances of trade and clearing arrangements, and the price-fixing employed in these arrangements is frequently much higher for Spanish exports than prices prevailing on the same goods in the open market.

FOREIGN RELATIONS

Except for its commercial dealings with other countries, post-war Spain has not diverted its energies from domestic problems, even during the European conflict. The Spanish government has clearly indicated, however, that it will not accept a secondary rôle in foreign affairs when the country is again rebuilt. The present régime has es-

74. No earnings are guaranteed on foreign capital, regardless of how it is invested. The status of large foreign interests in Spain—such as the International Telephone and Telegraph Corporation, which controls the Spanish telephone system—is still under negotiation.

75. The most complete statement of the government's economic policy, with a survey of its practicability, was contained in a lecture by the Spanish Minister of Commerce and Industry, Lieutenant-Colonel Alarcon de la Lastra, before the Falangist Institute of Political Studies on February 5, 1940. For text, cf. *A B C* (Seville), February 7-15, 1940.

76. There are a few noteworthy exceptions. On August 7, 1939 the United States Export-Import Bank granted a credit of \$13,750,000 to the Spanish government to buy 250,000 bales of American cotton for use in Spanish textile factories. On March 5, 1940 Madrid declared that it now hopes to obtain another cotton loan here. (*La Prensa*, March 6, 1940.) Argentina, moreover, has granted Spain credits for 400,000 tons of wheat. And the Anglo-Spanish trade treaty of March 18, 1940 indicated a further tendency in Madrid to accept long-term loans from foreign governments. Under this agreement, Britain loaned Spain £2,000,000 for general reconstruction, the loan to be repaid over a 10-year period beginning June 30, 1942. (*Manchester Guardian Weekly*, March 29, 1940, p. 251.)

77. Cf. Ralph Ackerman, "Trading with Spain," *Commerce Reports*, August 5, 1939, p. 709; *ibid.*, pp. 699, 705.

established diplomatic relations with all of the major governments in the world except the Soviet Union, Mexico and China. Its leaders have taken advantage of state occasions and anniversaries to recall the imperial greatness of Spain, to proclaim the unity of all Hispanic peoples,⁷⁸ to point out Spain's strategic geographical position,⁷⁹ and to reaffirm their gratitude to Germany, Italy and Portugal for support during the civil war.

PORTUGAL, ITALY, GERMANY

Falangist leaders have frequently commented on the ideological similarity of their movement to other fascist movements in Europe—and particularly to Portuguese corporatism. The Nationalist movement, accordingly, has looked to Berlin, Rome and Lisbon for guidance and financial aid in rebuilding post-war Spain, just as it looked to them for technical and military assistance during the war.⁸⁰ While "sister Portugal" suggested the structural forms of Spanish syndicalism, Italy and Germany immediately provided the New Spain with its many technical and commercial requirements.

The two Axis powers have maintained much of the political influence they acquired during the civil war. Rumors of a tripartite military alliance between Spain, Italy and Germany have never been confirmed, but General Franco indicated his government's political orientation by announcing its adherence to the Anti-Comintern Pact on April 7, 1939.⁸¹ When the bulk of Italian and German troops withdrew from Spain, they left a formidable supply of airplanes, tanks, artillery and other military equipment with the Spanish Army, and Italian and German personnel remained to supervise its use. Italian military missions are still attached to the Spanish Army, while reports indicate that German technicians are directing the construction of Spanish fortifications along the French border.⁸² The Reich lost favor in Spain when it signed the Soviet-German pact of August 23, 1939,⁸³ but numerous German political agents—presumably of the

Gestapo—have continued to direct pro-German activity among the Spanish people. Official German and Italian news agencies supply the Spanish press with most of its foreign information. Although British and French agencies (Reuters and Havas) also provide their services virtually free, comparatively little of their material is published, and the selection of news has been decidedly favorable to the Axis powers.⁸⁴ The Western democracies now fear that the Falange's partiality toward Germany and Italy, coupled with Axis influence in Spain, may eventually compromise Spanish neutrality.

In return for their military assistance during the Spanish conflict, the Italians apparently hoped for political concessions from Nationalist Spain in case of a general European war. Spain commands entrance to the Mediterranean, Italy's *mare nostrum*. A powerful army in the Iberian Peninsula could make Britain's stronghold at Gibraltar virtually untenable, and seriously threaten France's unfortified southern border. With Spanish imperialists sporadically demanding the return of Gibraltar, and Italians coveting French Tunisia, Corsica, Nice and Savoy, Hispano-Italian military collaboration against Britain and France is not without incentives. Whatever Italy may hope to gain, however, no form of military action would be attractive to a Spain still weak and disillusioned by war. The Spanish government is not yet fully confident of internal harmony, and Spaniards believe that British forces could rapidly sweep through Portugal into Spain.⁸⁵ Spain, therefore, could scarcely be induced to enter the present war unless the Allies were already on the verge of collapse. But as a benevolent

82. Cf. *The New York Times*, July 14, 1939; *New York Herald Tribune*, August 14, 1939; *The Economist*, February 10, 1940, p. 248. On April 17, 1940 Marshal Henri Philippe Pétain, French Ambassador to Spain, confirmed reports of Spanish defenses in the Pyrenees: "I saw these fortifications myself," he said. "And when I talk of fortifications, I know whereof I speak, for it was I who made the original plan for the Maginot Line." (*The New York Times*, April 18, 1940).

83. The Spanish press, however—Catholic and vigorously anti-Communist, but well supplied with interpretations by official German news agencies—explained that Hitler was driven to his "unhappy predicament" because Germany had been encircled by the pluto-democratic Western powers. Cf. Barbara Ward, "Falangist Spain," *The Political Quarterly*, April-June 1940, pp. 205-206.

84. Cf. T. J. Hamilton, in *The New York Times*, January 14, 1940. Until several months ago, dispatches from the German and Italian agencies were appropriately accredited to the D.N.B. or Stefani. Now, however, the Spanish news agency, Efe, publishes most of Spain's foreign news over its own name, but apparently uses the D.N.B. and Stefani releases with little alteration.

85. Portugal's military alliance with England is sealed by its dependence on British good will for retention of its colonial empire, essential to the Portuguese economy. Under the terms of this alliance—first confirmed in the Treaty of Windsor, May 9, 1386—Portugal entered the World War on the British side in February 1916.

78. Cf. Southworth, "The Spanish Phalanx and Latin America," cited, pp. 150-52. On March 24, 1940 the *Caudillo* visited the famous Archives of the Indies, in Seville, and inscribed in the guest book: "Before the relics of our Empire, with the promise of another. Franco." Cf. *La Prensa*, March 26, 1940.

79. Cf., for example, Franco's speech before the Falangist National Council in Burgos last summer. Text in *A B C* (Seville), June 6, 1939.

80. In June 1939 official sources in Berlin, Rome and Lisbon revealed the extent of military support which their respective countries had given General Franco. Cf. *New York Herald Tribune*, May 31, 1939; *Christian Science Monitor*, June 1, 1939; *The New York Times*, June 6, 8, 14, October 3, 1939.

81. For text of the protocol of adherence, dated March 27, cf. *News in Brief* (Berlin, Deutscher Akademischer Austauschdienst), April 25, 1939, pp. 41-42. On May 8, 1939 Spain renounced its membership in the League of Nations.

neutral the country might aid Italy and Germany even more than if allied with them. Submarines could refuel and take on provisions in Spain's Atlantic and Mediterranean harbors—as German submarines reputedly did during the World War, when Spain was neutral but friendly toward the Central Powers—and planes might find its 50 or 60 air fields extremely useful as bases of secret operations.⁸⁶

Through Germany's intervention in Spain, the Nazis gained three important objectives: creation of a potential menace to France from across the Pyrenees, practical military training for the German army and air force,⁸⁷ and valuable economic opportunities. Germany, to a much greater extent than Italy, can supply the products Spain requires, and needs the materials Spain can produce.⁸⁸ Since both Germany and Spain prefer barter trade, lack of foreign exchange is no obstacle to Hispano-German commerce. German development and control of Spanish trade and industry became increasingly noticeable up to the outbreak of war in September 1939.⁸⁹ Spain's virtual economic union with Germany suffered a severe shock, however, when the Allied blockade suddenly cut off Spanish-German trade.

BRITAIN AND FRANCE

Deprived of a preponderant share of its foreign markets and essential imports, Spain reluctantly entered into trade negotiations with Britain and France. In spite of well-organized German propaganda, treaties were signed with France on January 18 and with Britain on March 18.⁹⁰ Politically the pacts marked an important change—born of eco-

86. France, on the other hand, has a political weapon which might be used very effectively against Nationalist Spain. The French government now forbids the many Spanish refugees within its borders to engage in political activity, but presumably France would become a center of subversive Spanish Republican operations if ever Spain fails to respect its obligations as a neutral. Cf. footnote 14, p. 59.

87. Unlike Italy, which apparently maintained substantially the same troops in Spain throughout the war, Germany kept replacing its smaller units with fresh and inexperienced fighters.

88. Italy, however, is intensely interested in Spanish mercury, and an Italo-Spanish combine has been formed to regulate Spain's output of the metal. (*Christian Science Monitor*, May 23, 1939.) Together the two countries produce about four-fifths of the world's mercury.

89. German control extended to Spanish mines, maritime services, commercial airlines and industrial enterprises. For examples, cf. *The New York Times*, June 25, 1939; *The Economist*, February 10, 1940, p. 248.

90. For terms of the Franco-Spanish pact, cf. *Manchester Guardian Weekly*, January 26, 1940, p. 71. For summary of Spain's pact with Britain, cf. *The New York Times*, March 19, 1940.

nomic necessity—in Spain's attitude toward Britain and France. Commercially they were of immediate significance for both the Allies and Spain: the former obtained Spanish iron ore, pyrites, mercury, lead and zinc for their war industries, while the latter secured much-needed supplies of wheat, rice, coal, machinery, automobiles and pharmaceutical products.⁹¹ Spain's economic situation shows promise of further improvement this year through bilateral trade agreements concluded with Portugal, Bulgaria, Switzerland, Japan and Italy.⁹² These agreements, however, cannot solve many of the internal problems which contribute to Spain's insecurity.

CONCLUSION

The Spanish people, a year after physical fighting ceased, are still bewildered by the political aftermath of their civil war. Few families in Spain were untouched by three years of internecine strife which killed 5 per cent of the country's population. Personal denunciations and suspicion are still widespread among all classes. Thoroughly sick of war, Spaniards are also tired of the uncertain peace which has followed General Franco's victory. The feeling is prevalent that all their hardships have been in vain. Monarchists have not obtained return of the king. The military caste finds its former prestige taken over by a new youthful political organization. The Church has been granted its pre-Republican privileges, but the lower clergy fails to command the spiritual respect it anticipated. The laboring classes are in a worse economic position now than when the civil war started. And business interests feel oppressed by experiments in autarchy and neo-mercantilism which make economic life difficult at all levels.

The Spanish government has made an earnest attempt to solve its innumerable problems. The country's present plight is more a result of wartime destruction than of errors in post-war policy. The government appears well able to cope with general discontent, although increasing dissatisfaction is to be expected if internal conditions do not improve. Spain hopes to stay out of the European conflict in order to gain time for domestic reconstruction. Like the Baltic, Scandinavian and Low Countries, however, it may not be permitted to choose its own course. Spain's future, like theirs, may be determined by the progress and outcome of war in Europe.

91. Spain also gained access to a great variety of important products from the "sterling area," including all countries bound by the British currency chain.

92. For the effect of Spain's commercial policy on United States foreign trade, cf. *Wall Street Journal*, February 28, 1940.

The June 1 issue of FOREIGN POLICY REPORTS will be

INDIA'S RENEWED STRUGGLE FOR INDEPENDENCE

by James Frederick Green